



December 4, 2015

**VIA ELECTRONIC FILING**

Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
101 Executive Center Dr., Suite 100  
Columbia, SC 29210

Dear Ms. Boyd:

Re: Filing of Quarterly Monitoring Report by Piedmont Natural Gas Company, Inc.  
Pursuant to S.C. Code §58-5-430  
Docket No. 2015-7-G

Pursuant to Section 58-5-430 of the South Carolina Natural Gas Rate Stabilization Act, enclosed is the quarterly monitoring report for the twelve-month period ending September 30, 2015, for Piedmont Natural Gas Company, Inc.

If you have any questions about this filing, you may reach me at 704-731-4560 or Robert Thornton at 704-731-4148.

Sincerely,

s/ Jenny Furr  
Jenny Furr  
Manager, Regulatory Reporting

Enclosures

c: ORS – Leigh Ford  
ORS – John Flitter  
Shannon Hudson  
James H. Jeffries IV

Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2015  
South Carolina  
Page 1 of 2

	(1)	(2)	(3)
	<u>Per Filing</u>	<u>Accounting And Pro Forma Adjustments</u>	<u>After Pro Forma Adjustments</u>
Operating Revenues			
Sale of Gas	\$ 131,991,817	\$ (10,114,647)	\$ 121,877,170
Other Operating Revenues	900,366	-	900,366
Total Operating Revenue	<u>\$ 132,892,183</u>	<u>\$ (10,114,647)</u>	<u>\$ 122,777,536</u>
Operating Expenses			
Cost of Gas	\$ 65,147,614	\$ (13,148,059)	\$ 51,999,555
Other Operation & Maintenance	27,700,920	(537,268)	27,163,652
Depreciation	12,298,813	1,277,111	13,575,924
General Taxes	7,261,553	(127,891)	7,133,662
State Income Taxes	883,727	878	884,605
Federal Income Taxes	4,838,813	1,021,011	5,859,824
Amort. of ITC	(15,305)	-	(15,305)
Total Operating Expenses	<u>\$ 118,116,135</u>	<u>\$ (11,514,219)</u>	<u>\$ 106,601,916</u>
Net Operating Income	<u>\$ 14,776,047</u>	<u>\$ 1,399,573</u>	<u>\$ 16,175,620</u>
Interest on Customer Deposits	(102,452)	-	(102,452)
Amortization of Debt Redemption Premium	-	-	-
AFUDC	72,811	-	72,811
Customer Growth	119,686	11,337	131,023
Net Operating Income For Return	<u>\$ 14,866,092</u>	<u>\$ 1,410,909</u>	<u>\$ 16,277,002</u>
Original Cost Rate Base			
Plant in Service	\$ 481,390,509	\$ -	\$ 481,390,509
Accumulated Depreciation	(206,437,369)	-	(206,437,369)
Net Plant in Service	<u>\$ 274,953,140</u>	<u>\$ -</u>	<u>\$ 274,953,140</u>
Add:			
Construction Work in Progress	17,479,928	-	17,479,928
Materials and Supplies	10,045,865	-	10,045,865
Cash Working Capital	2,679,505	(67,159)	2,612,346
Deduct:			
Customer Advances for Construction	-	-	-
Customer Deposits	2,808,590	-	2,808,590
Accumulated Deferred Income Taxes	66,678,058	-	66,678,058
Unclaimed Funds	67,285	-	67,285
Total Original Cost Rate Base	<u>\$ 235,604,505</u>	<u>\$ (67,159)</u>	<u>\$ 235,537,346</u>
Return on rate base	<u>6.31%</u>		<u>6.91%</u>

Net Operating Income and Rate of Return  
For The Twelve Months Ended September 30, 2015  
South Carolina  
Page 2 of 2

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
			After Accounting and Proforma Adjustments						
	Per Books Capitalization	Accounting and Pro Forma Adjustments	Settlement Capitalization	Calculated Ratio %	Ratio %	Cost Net Investment	Embedded Cost %	Overall Cost Rate %	Net Operating Income
1. Long-Term Debt	\$ 1,518,727,875	\$ -	\$ 1,518,727,875	52.50%	45.00%	\$ 105,991,806	4.89%	2.20%	\$ 5,182,999
2. Common Equity	1,374,294,435	-	1,374,294,435	47.50%	55.00%	129,545,541	8.56%	4.71%	11,094,002
3. Total	<u>\$ 2,893,022,310</u>	<u>\$ -</u>	<u>\$ 2,893,022,310</u>	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 235,537,347</u>		<u>6.91%</u>	<u>\$ 16,277,002</u>

CERTIFICATION

I, Thomas E. Skains and Karl W. Newlin, state and attest, under penalty of perjury, that the attached Quarterly Monitoring Report is filed on behalf of Piedmont Natural Gas Company, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Thomas E. Skains  
President and CEO

12/3/2015

Date Signed

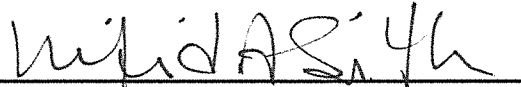


Karl W. Newlin  
Senior Vice President and CFO

12/3/2015

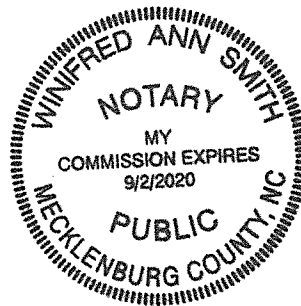
Date Signed

Subscribed and Sworn to before me this  
3rd day of December, 2015.



Notary Public

My Commission Expires 9/2/2020.



## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Quarterly Monitoring Report* is being served this date via email and UPS Overnight upon:

Shannon Hudson  
Leigh Ford  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
shudson@regstaff.sc.gov  
lford@regstaff.sc.gov

And that a copy of the attached *Quarterly Monitoring Report* is being served this date via email or U.S. Mail upon:

Bruce Barkley  
Vice President  
Regulatory Affairs, Rates and Gas Cost Accounting  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
bruce.barkley@piedmontng.com

and

Pia Powers  
Director - Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 4th day of December, 2015.

/s/ Richard K. Goley  
Richard K. Goley